



**Provincial
Judges
Benefits
Board**

Annual Report
for year ending March 31, 1989

92-03647/

**FIFTH ANNUAL REPORT
OF THE
PROVINCIAL JUDGES BENEFITS BOARD
FOR THE YEAR ENDED
MARCH 31, 1989**



Office of the
Minister

Bureau du
ministre

Ministry of
Government
Services

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Services
gouvernementaux

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October 30, 1989

To his Honour, The Lieutenant Governor of the
Province of Ontario.

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully presents herewith the Report
of the Provincial Judges Benefits Board for the year ended
March 31, 1989.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Chris Ward", with a long horizontal line extending from the end.

Christopher Ward
Minister of Government Services



Provincial Judges
Benefits
Board

Caisse de retraite
des juges
de la Cour provinciale

Area code
Ind. rég:

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The Honourable Christopher Ward
Minister of Government Services

SIR:

I have the honour to submit the Report of the Provincial
Judges Benefits Board for the year ended March 31, 1989.

Respectfully submitted,

A handwritten signature in cursive script, reading "John G. Goodwin".

John G. Goodwin, Q.C.
Chairman

PROVINCIAL JUDGES BENEFITS BOARD

The Board was established in 1984 under Regulation 332/84 made pursuant to the Provincial Courts Act, now the Courts of Justice Act.

The Members of the Board are appointed by the Lieutenant Governor in Council. At March 31, 1989, the Board had the following Members:

J.G. Goodwin, Q.C., Acting Chairman
Partner
Osler, Hoskin & Harcourt
E.F.H. Strauss, B.Sc., M.A.
Human Relations Consultant and
Therapist

T. Paradis, Manager, Interpretation Planning & Reporting, Ministry of Government Services was the Secretary.

In accordance with the Regulation, the Board administered the Provincial Judges Benefits Plan and approved income continuity payments and refunds of voluntary contributions.

Two meetings of the Board were held during the year ended March 31, 1989.

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INCOME CONTINUITY PAYMENTS

An "income continuity payment" under the Regulation is a retirement income payable in monthly instalments commencing with the month following the month in which the recipient ceased to hold office. The amount of the payment is calculated in accordance with the formula under the Regulation.

As of March 31, 1989, 67 income continuity payments were being paid.

During the period ending March 31, 1989, 1 refund of contributions was authorized. This was authorized by the Board in accordance with the Regulation and consisted of Superannuation Adjustment Fund contributions and voluntary Public Service Superannuation contributions plus interest.

CONTRIBUTORS

At March 31, 1989, there were 230 contributors to the Provincial Judges Benefits Fund.

PROVINCIAL JUDGES BENEFITS FUND

The amount standing to the credit of the Provincial Judges Benefits Fund at March 31, 1989 was \$51,902,133. Total receipts for the year, including interest, amounted to \$9,670,867, while total disbursements amounted to \$2,017,795.

COST OF ADMINISTRATION

The cost of administrative support for the operation of the Provincial Judges Benefits Board is subsumed in the estimates of the Employee Pension and Benefits Administration Branch of the Ministry of Government Services (Vote 1703, Item 6). (This branch also administers pension and benefit plans for Government employees and for Members of the Legislative Assembly and their staff).

The Chairman and Members of the Provincial Judges Benefits Board receive per diem fees for attendance at Board Meetings. For the period under review, a total of \$600. was paid in per diem fees. No other direct costs are incurred by the Board and cost proration is not justified because of the variety of services provided by the Employee Pension and Benefits Administration Branch.

ACKNOWLEDGEMENT

In submitting this Report, the Board wishes to express its appreciation of the assistance rendered to the Board by the Secretariat and the management and staff of the Employee Pension and Benefits Administration Branch, Ministry of Government Services.

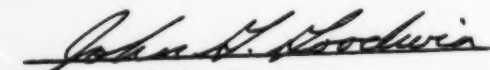
PROVINCIAL JUDGES BENEFITS FUND

Statement of Changes in Fund Balance
for the year ended March 31, 1989

	1989 (\$000's)	1988 (\$000's)
Deposits		
Contributions		
Participants	425	453
Province of Ontario (note 4)	4,124	4,124
Interest earned	<u>5,124</u>	<u>4,344</u>
	<u>9,673</u>	<u>8,921</u>
Payments		
Income continuity payments and survivor allowances	2,010	1,713
Refunds	<u>8</u>	<u>136</u>
	<u>2,018</u>	<u>1,849</u>
Net increase in the Fund	7,655	7,072
Balance on deposit with the Treasurer of Ontario,		
- beginning of year	<u>44,247</u>	<u>37,175</u>
- end of year	<u>51,902</u>	<u>44,247</u>

See accompanying notes to financial statement.

Approved on behalf of the Board:


Acting Chairman

PROVINCIAL JUDGES BENEFITS FUND

Notes to the Financial Statement March 31, 1989

1. DESCRIPTION OF THE FUND

The Provincial Judges Benefits Fund (the Fund) was established by Regulation made under the Courts of Justice Act, effective July 1, 1984. This Regulation designated the Provincial Judges Benefits Board to administer the Fund. The following brief description of the fund is provided for general purposes only. For more complete information reference should be made to the Regulation.

(a) General

The purpose of the Fund is to provide income continuity payments to retired Provincial Court Judges and Masters of the Supreme Court of Ontario or survivor allowances to the dependents of these Judges and Masters.

(b) Funding Policy

The annual funding required to maintain income continuity payments is borne entirely by the Province and is determined annually by actuaries.

Contributions to the Fund by participants are for survivor allowances only. Participants are required to contribute 5.57 per cent of their salary either until their basic service requirement is met or until they reach 70 years of age. At the participant's option, this contribution may be apportioned either entirely to the Fund towards the cost of survivor allowances or one third to the Fund and two thirds to the Consolidated Revenue Fund, toward the cost of life insurance benefits provided. At present, the majority of participants have elected to apportion their contribution between the Fund and life insurance premiums.

(c) Income Continuity Payments

An income continuity payment is available based on the age and the number of years of full-time service for which the participant has credit upon ceasing to hold office and on the salary of a full-time judge of the highest judicial rank held by the participant while in office. The participant is entitled to these payments during his lifetime.

(d) Disability Income Continuity Payments.

A full income continuity payment is available at age 65 for participants with a minimum of five years of full-time service who are unable to serve in office due to injury or chronic sickness.

(e) Survivor Allowances

A survivor allowance equal to one half of an income continuity payment is paid to the spouse during the spouse's lifetime or to a child or children until the youngest child attains 18 years of age, or 25 years of age if the child is in full-time attendance at a place of higher education.

(f) Death Refunds

A death refund is payable to the estate of a participant where there is no further entitlement to a survivor allowance. The amount of the refund is equal to all contributions made into the Fund plus accrued interest, reduced by the amounts of survivor allowances paid out under this Regulation.

(g) Withdrawal Refunds

Upon ceasing to hold office for a reason other than death before becoming entitled to an income continuity payment, the participant is entitled to a refund. The amount of the refund is equal to the contributions made into the Fund plus accrued interest.

(h) Interest Revenue

All new money, being the excess of deposits over payments each fiscal year, earns a rate of interest which is fixed for 25 years and which is not less than the weighted average rate on long term securities issued or guaranteed by the Province of Ontario during that fiscal year. For the 1989 fiscal year, the rate was 11.19 per cent (1988 - 11.10 per cent). The weighted average interest rate earned on the 1989 beginning Fund balance was 11.31 percent (1988 - 11.35 per cent).

(i) Fund Status

The Fund is not subject to the reporting requirements under the Pension Benefits Act and Regulations. However, the Fund has the same status as a pension plan for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statement has been prepared on a modified cash basis of accounting. Payments from the Fund are reported on the cash basis. The Province's contributions and liability for future benefit payments, the interest earned by the Fund, and the participants' contributions do not represent cash transactions in or from the Consolidated Revenue Fund but are recorded as liabilities in accordance with legislation.

3. ADMINISTRATIVE EXPENSES

Administrative expenses are paid by the Province of Ontario.

4. LIABILITY FOR FUTURE BENEFITS

The most recent actuarial valuation of the Fund, dated March 31, 1988, disclosed that the Province's share of the liability for income continuity payments and survivor allowances was \$33.2 million. The Province is contributing towards this liability in amounts recommended by the actuaries.

INTEREST EARNED BY THE P.J.B.F.

Interest was credited to the Provincial Judges Benefits Fund out of the Consolidated Revenue Fund on the following basis:

1. On the balance at the credit of the Fund on March 31, 1988, at a rate of 11.31414 per cent per annum.
2. On the net amount deemed to have entered the Fund each month throughout the period ending March 31, 1989 at the rate of 11.19 per cent per annum and credited from the date such increases are deemed to have entered the Fund to the end of fiscal year 1988-89.